

TIMBER SALE PROSPECTUS

Sale name: RED-EYED GRIZZLY HELI BUG Type of Sale: Weight Scaled

National Forest: Idaho Panhandle Ranger District: CDA River

Bidding Method: Sealed Bid Bid Guarantee: \$2,700.00

Location of Bid Opening: Office: Forest Supervisor's Office

Address: 3815 Schreiber Way

Coeur d'Alene, Idaho 83815-8363

Date: Wednesday, September 3, 2003

Time: 09:30 a.m.

1. INTRODUCTION. This prospectus furnishes prospective bidders with information not contained in the published advertisement and is designed to enable bidders to decide whether or not to further investigate the sale. The prospectus is not a legally binding document, but is offered to provide general information about a sale. The contract does not include descriptions, estimates, and other data in this prospectus, unless otherwise stated. In the event that the prospectus contains an error or contradicts the sample contract, the contract governs. Bidders are urged to examine the timber sale and make their own estimates. Timber sale contract form FS-2400-6 will be used. Inspect the sale area and the sample contract before submitting a bid. Obtain the appraisal, other information on the timber, and conditions of sale and bidding at Forest Service offices listed above and in the named attached advertisement.

2. BIDDING. This is a Sealed Bid sale. Bidders must submit sealed bids on prepared forms. They can obtain from Forest Service offices listed above and in the attached advertisement. The forms include instructions for bidding and submission of the required certifications. A bid guarantee must be included with the bid in the form of cash, a bid bond on form FS-6500-13 (4/82) or later, certification of annual bid bond allocation on form FS-6500-13a (4/82) or later, an irrevocable letter of credit, a certified check, bank draft, cashiers check, official bank check, or bank or postal money order payable to the Forest Service, USDA in the amount specified above and in the bid form. The bid guarantee shall be returned to each bidder whose bid is not accepted.

3. LOCATION AND DESCRIPTION OF TIMBER. Refer to the sample contract and sale area map attached to the sample contract for legal location of sale area, location of payment units, location of cutting units, the acreage of sale area, and the cutting unit acreage. THE FOLLOWING GENERAL LOCATION, ROUTES OF ACCESS, ACREAGES, AND OTHER SPECIAL LOCATION DATA DO NOT SUPERSEDE THE SALE AREA MAP OR SAMPLE CONTRACT.

This sale is approximately 1880 acres in size with salvage to occur on about 118 acres. Harvest activities are located in three subdivisions. The subdivisions are located in Grizzly and Lindsey Creeks; Cougar and November Creeks; and Dobson and Missoula Gulches in a portion of sections 4, 5, 7, 8, 9, 16, and 17, T50N, R3E; a portion of sections 15, 16, 21, and 22, T50N, R2E; and a portion of section 36, T49N, R4E, Boise Meridian, respectively. The sale area is located in Shoshone county.

This sale is designed primarily to salvage Douglas Fir beetle-killed timber. The sale contains 16 harvest units. All units are individual cut tree marked (CTM). Trees designated for cutting are marked with a BLUE bole stripe and BLUE stump mark. Wildlife reserve trees are marked with an

ORANGE bole and stump mark in units 1-10 and 13-16. Wildlife trees in units 11 and 12 are the older large dead unmarked Douglas-fir trees. Unit boundaries in units 1-10 and 13-16 are designated by ORANGE tags stapled to boundary trees and orange stump marks. Boundaries for units 11 and 12 are designated by YELLOW tags stapled to boundary trees and yellow stump marks.

The sale area is accessed from the Fernan Ranger Station by proceeding east on I-90 to the Kingston exit. Proceed north on FH9 for approximately 5.3 miles to the #209 at the Bumblebee bridge. Proceed across the bridge and turn right onto county road #503. Proceed up river for approximately 4.9 miles to the #2352 McRae Creek road. Turn left and proceed up the #2352 road for approximately 4.5 miles to the landing location for subdivision 2. Subdivision 1 is accessed from the county road #503 by proceeding pass the #2352 turnoff for another 1.2 miles to the #961 Scott Creek road. Proceed up the #961 for approximately 6.0 miles to the junction with the #622 road and the edge of the sale area. Subdivision 3 can be accesses by proceeding up FH9 to Babin's Junction and taking a right on the #456 Beaver Creek road up to Dobson Pass or Dobson Pass can be accessed from the City of Wallace. The road heading east from Dobson Pass is the #456W road. Proceed for approximately 1.2 miles to the proposed landing location.

This sale will require a helicopter yarding system. Average helicopter yarding distance is 1800 feet with a maximum distance of approximately 4000 feet. Flight paths are generally downhill except for subdivision 3. Service landings are located on the #6538 and the #3100 roadways. **The #3100 is currently gated closed.**

This sale is being offered on a weight scale basis. The estimated volume is 5334 tons (1778ccf) of sawlog timber. The conversion factor is based on 3 tons/ccf.

4. TIMBER QUANTITIES AND RATES. The quality, size, cut per acre, and product suitability of the timber are estimates based on detailed cruise information on file and available for inspection at the Forest Service offices listed above and in the advertisement. **VOLUME QUANTITIES LISTED HEREIN ARE MADE AVAILABLE WITH THE UNDERSTANDING THAT VALUES SHOWN ARE FOREST SERVICE ESTIMATES AND ARE NOT GUARANTEED.** For these reasons, bidders are urged to examine the timber sale area and make their own estimates. **THE MINIMUM ACCEPTABLE BID RATE IS STATED IN THE ATTACHED BID FORM. THESE RATES ARE EFFECTIVE AT THE TIME OF ADVERTISEMENT.**

**Estimated Quantities and Minimum Acceptable Rates
per Unit of Measure**

							Required Deposits	
Species	Product	Unit of Measure	Estimated Quantities	Average DBH	Minimum Acceptable Bid Rates	Base Rates	Slash Disposal	Road Maintenance
Douglas Fir	Sawlog	tons	5028	15	\$5.02	\$5.02	\$5.03	\$0.34
Grand fir	Sawlog	tons	189	11	\$5.02	\$5.02	\$5.03	\$0.34
White Pine	Sawlog	tons	72	16	\$5.02	\$5.02	\$5.03	\$0.34
Lodgepole Pine	Sawlog	tons	45	14	\$5.02	\$5.02	\$5.03	\$0.34
Required Removal at Fixed Rates								
N/A								
	TOTAL		5334	15	\$5.11	\$5.11	\$5.28	\$0.34

All species are being offered as a single combined sawlog species group.

The cruise estimate for this timber included a 18% defect factor. Fifteen to thirty percent cull and breakage was applied to Douglas-fir mortality depending on the age of the mortality. Estimation of the weight of the beetle killed timber was at 10 lbs/bd ft. and raised to 12 lbs/bd ft. to account for sap rot defect. Purchaser's should make their own estimation on this volume loss based on factors such

as anticipated production rate. **The cruise was run using INGY volume equation to estimate the volume.**

The minimum acceptable bid for advertised timber is \$ 26,776.68 for the sale-as-a-whole. The bid rate for species and unit of measure are assigned under procedures for average bid premium bidding as noted in this prospectus. The bid rate is based upon the pricing procedures provided by the timber sale contract. This rate has been established by appraisal, with a cost allowance for the roads specified by the contract, if any. Required deposits for slash disposal and road maintenance are in addition to the advertised rates for timber.

Estimated Knutson-Vandenberg deposit for sale area improvement work in a total amount of \$26,819.88 is included in total timber value.

5. PERIOD OF CONTRACT. The normal operating season covers the period between June 1 and October 31. Contract termination date is December 31, 2004. Extensions of this contract may be granted only when the purchaser has met specified conditions.

The purchaser must submit a general operating plan to the Contracting Officer for approval before operations begin or within 60 days of sale award, whichever is earlier. The plan must show how the purchaser plans to complete the contract by the termination date. In addition to the general operating schedule, the purchaser must submit an annual schedule of operations before commencing operations. This schedule will include the anticipated major activities and needs for harvest. This annual schedule of operations does not require concurrence of the Forest Service.

6. PAYMENT. Payment for timber and any required deposits for slash disposal or road maintenance are required in advance of cutting. Purchaser may transfer purchaser credit into the contract, or provide an acceptable payment guarantee prior to cutting. Payment for required deposits must be a cash payment. At advertised rates, the transfer in purchaser credit limit is \$ 0.00. The purchaser shall make advance deposits in accordance with C4.221 - Advance Deposits.

The high bidder whose bid is accepted shall, at the time the contract is signed and returned by the bidder, make a downpayment pursuant to Title 36, Section 223.49, of the Code of Federal Regulations. The Contracting Officer will notify the high bidder of the amount necessary to make this payment. In no case shall the downpayment be less than 10 percent of the advertised value plus 20 percent of the bid premium. The bidder may use transferred-in purchaser credit to meet this requirement. After receipt of the downpayment and a satisfactory performance bond and upon execution of the timber sale contract, the Forest Service will return the bid guarantee. A cash bid guarantee may be applied to the downpayment at the request of the purchaser. The purchaser cannot apply the amount deposited as a downpayment to cover other obligations due on the sale until stumpage value representing 25 percent of the total bid value of the sale is shown on the timber sale account to have been charged and paid for on the statement of account.

7. PERFORMANCE BOND. A performance bond is required. The penal sum of the bond will be 10 percent of the total bid value of the sale, rounded up to the nearest \$100 when the total bid value is \$10,000 or less; and rounded up to the nearest \$1,000 when the total bid value exceeds \$10,000 or \$ 41,000.00 whichever is greater. If an irrevocable letter of credit is used to secure the performance bond, the termination of the letter of credit must be at least 12 months past the contract termination date.

8. SPECIFIED ROADS. The Forest Service has determined that the following forest development roads shall be constructed or paid for, in whole or in part, by the timber sale purchaser. Sufficient information to permit a prospective bidder to calculate the likely cost to be incurred for road construction is available at the Forest Supervisor's Office. See the sample contract for verification of specific details and information concerning construction specifications.
CONSTRUCTION ESTIMATES AND INFORMATION CONTAINED HEREIN, TOGETHER WITH

RELATED SPECIFICATIONS, ARE NOT GUARANTEED. The following roads are those that Forest Service considers necessary to remove the timber from this sale.

Road Number	Road Name	Traffic Service Level	Approximate Miles	Estimated Road Construction Cost	Type of Work C or R*
N/A					

* C = Construction
R = Reconstruction

Total estimated road construction cost allowed in appraisal is \$ 0.00.

9. ROAD MAINTENANCE. Purchaser shall perform or pay for road maintenance work, commensurate with purchaser's use, on roads controlled by Forest Service, and used by purchaser in connection with this sale. Road maintenance requirements are based on the predicted haul route. Any change in the purchaser's actual haul route may necessitate a change in the roads to be maintained and/or in the amount of required deposit for road maintenance. Required deposits for road maintenance are listed above and in the sample contract. Maintenance specifications are in the sample contract.

10. INAPPLICABLE STANDARD PROVISIONS. See sample contract.

11. SPECIAL PROVISIONS. See sample contract.

12. FINANCIAL ASSISTANCE. The Small Business Administration (SBA) may be able to assist small business concerns in financing construction of specified roads listed in the sample timber sale contract. Such SBA assistance, if available, may be in the form of guaranteed bank loans or direct participation SBA loans. Applicants must meet SBA size and eligibility requirements. APPLICANTS ALSO MUST MEET CREDIT REQUIREMENTS OF SBA AND/OR A LOCAL BANK. APPROVAL OF LOAN ASSISTANCE RESTS WITH SBA AND IS CONTINGENT ON AVAILABILITY OF LOCAL FUNDS OR SBA FUNDS. FAILURE TO BE ELIGIBLE OR TO OBTAIN A LOAN IN NO WAY AFFECTS REQUIREMENTS OF BID FOR ADVERTISED TIMBER SALE OR THE TIMBER SALE CONTRACT. If requested by the purchaser, the timber sale contract can provide repayment of direct SBA loans through the Forest Service as the timber is cut.

13. SET-ASIDE SALES. This is not a SBA set-aside sale.

14. LOG EXPORT AND SUBSTITUTION RESTRICTIONS. The contract requires domestic processing of included timber except for species declared to be surplus, and prohibits the use of such included timber in substitution for unprocessed private timber exported. The bidder, by signing the bid for advertised timber, certifies compliance with the applicable prohibitions against export and substitution prescribed in the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 U.S.C. 620, et seq.) with each bid.

15. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE REVIEW. If the total bid value plus required deposits for this contract exceeds \$10 million, before award, the Forest Service shall request an equal employment opportunity compliance review of the high bidder to determine compliance with the provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967.

16. AWARD: The Contracting Officer is required to make a determination of bidder responsibility as stated in Title 36, Section 223.101, of the Code of Federal Regulations.

To determine a purchaser to be responsible, a Contracting Officer must find that:

- a. The purchaser has adequate financial resources to perform the contract or the ability to obtain them;
- b. The purchaser is able to perform the contract within the contract term taking into consideration all existing contracts and Governmental business commitments;
- c. The purchaser has a satisfactory performance record on timber sale contracts. A prospective purchaser that is or recently has been seriously deficient in contract performance shall be presumed not to be responsible, unless the Contracting Officer determines that the circumstances were beyond the purchaser's control and were not created through improper actions by the purchaser or affiliate, or that the purchaser has taken appropriate corrective action. Past failure to apply sufficient tenacity and perseverance to perform acceptably under a contract is strong evidence that a purchaser is not a responsible contractor. The Contracting Officer shall consider the number of contracts involved and extent of deficiency of each in making this evaluation;
- d. The purchaser has a satisfactory record of integrity and business ethics;
- e. The purchaser has or is able to obtain equipment and supplies suitable for logging the timber and for meeting the resource protection provisions of the contract;
- f. The purchaser is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Bidders, by signing the bid form, certify that to the best of bidder's knowledge bidder will meet the requirements in 36 CFR 223.101, determination of purchaser responsibility, and if awarded this contract that bidder will complete the timber sale contract and any modifications thereof in accordance with its terms including requirements to purchase, cut, and remove included timber.

17. FALSE STATEMENTS ACT. Bidders, by signing the bid form, certify that they are aware that bidder is subject to the penalties prescribed in 18 U.S.C. 1001, Chapter 47, Fraud and False Statements (P.L. 104-45). The Act states "whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both."

18. DAMAGES. This contract shall be terminated for breach pursuant to paragraph 16, 19, and/or 21 of the bid form and the terms of the sample contract if: 1) bidder fails to execute a timber sale contract, furnish a downpayment, or furnish a satisfactory performance bond within 30 days of the award letter's date; or 2) bidder is found to have violated the False Statements Act in making any statement or certification on the bid form including not meeting purchaser responsibility requirements, and bidder has made a false statement. The bid guarantee shall be retained, in whole or in part, by the Forest Service to satisfy any damages that may be assessed.

19. SUSPENSION AND DEBARMENT CERTIFICATION. Non-procurement debarments and suspensions are governed by the Government-wide common rules (7 CFR 3017).

These rules require each participant, in this case the timber sale purchaser, to submit a certification for itself, its principals, and its affiliates when bidding on sales. The bidder must designate its

status regarding debarment, suspension, and other matters as specified on the bid form. The bidder, by signing the bid form, certifies this status. An explanation for not submitting a certification may be submitted. The Contracting Officer will determine whether the explanation provides sufficient reason for permitting participation in the bidding.

Also, as a participant enters into covered lower tier transactions, these lower tier participants must certify their eligibility. The lower tier certification titled Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Transactions must be provided to the lower tier participant, but completed certifications are not required to be submitted with bid forms. Purchaser must keep these lower tier certification forms on file for review by the Forest Service, if requested.

The certification forms and instructions for lower tier transactions are provided as an addendum to the bid form.

20. OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) LOGGING REGULATIONS. Conduct of operations on this timber sale is subject to inspection for compliance with the logging operations regulations at 29 CFR 1910.266 by OSHA. This standard is applicable to the entire logging industry wherever logging operations occur. Information is available to assist purchasers to ensure compliance with the logging operations regulations during conduct of this timber sale from the U.S. Department of Labor, Occupational Safety and Health Administration, 1150 N. Curtis Road, Suite 201, Boise, Idaho 83706-1234.

21. GENERAL.

Under Provision C5.113# - Purchaser will be required to operate under terms and conditions of a Road Use Agreement between Forest Service and Forest Capital Partners LLC for road use in the Dobson Pass area.

Under Provision C5.31# - Purchaser will be responsible for road maintenance on all Forest Service roadways. This includes T-103 dust abatement on roads #622, #961, #2352, and #456W during log haul.

Under Provision C5.312# - Purchaser will be required to recondition the #622, #622UAI, #961, #2352, and #456W roads per attached road logs.

Under Provision C5.41# - Purchaser will be required to repair and close the gate on the #6538 with passage of each vehicle. Close gate on the #3100 road with passage of each vehicle. And waterbar and replace earth barrier on the #622UAI road at conclusion of use.

Under Provision C6.10 - Prior to commencement of work, a prework conference will be held to discuss contract terms and work performance requirements.

Under Provision C6.351 - Purchaser will be required to wash off-road equipment prior to moving into the sale area.

Under Provision C6.316# - Log haul and road maintenance operations will be prohibited on all forest roads during weekends and holidays. This restriction will be in effect at 4:00 pm on the day prior to the weekend or holiday. No helicopter operations on Sundays and holidays and no helicopter operations prior to 7:00 am on a daily basis in subdivision 3. Flagpersons are required when felling timber adjacent to open forest roads or when landing or flying over open forest roads during helicopter operations. Purchaser will be permitted to close the #622 road during flight operations, except during weekends and holidays and during center-fire rifle season.

Under Provision C6.601# - Purchaser will be required to seed and fertilize landings.

Under Provision C6.7 - Purchaser will be required to lop and scatter in all harvest units. Purchaser will be required to do perimeter snagging in cutting unit 16. Purchaser will be required to pile and burn landings.